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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Letter dated 26 December 2008 from the Secretary-General addressed to the President of the General Assembly

I wish to draw your attention to the attached note on the outcome of the meeting of the Advisory Group of the Central Emergency Response Fund, which took place in Geneva on 19 and 20 November 2008 (see annex).

In accordance with General Assembly resolution 60/124, the Advisory Group was established to advise the Secretary-General on the use and impact of the Fund.

The note summarizes the key points raised during the discussions on both the management of the Fund and its effect on humanitarian operations. I would like to draw your attention to the concern of the Advisory Group about maintaining donor contributions for 2009 in the light of the global financial crisis. Please also note the satisfaction of the Advisory Group with the response of the United Nations Office for the Coordination of Humanitarian Affairs to the findings of the independent two-year evaluation of the Fund. I assure you that the Office for the Coordination of Humanitarian Affairs takes these recommendations very seriously and will continue to dedicate itself to constantly improving the Fund, not least through devising and implementing a performance and accountability framework, as suggested by the evaluators.

I should be grateful if you would bring the present letter and its annex to the attention of the Member States, of whom more than 100 are now contributors to the Fund.

(*Signed*) **Ban** Ki-moon

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Annex

Meeting of the Advisory Group of the Central Emergency Response Fund
19 and 20 November 2008
Geneva

Note from the Advisory Group

The Advisory Group was established by General Assembly resolution 60/124 on 15 December 2005 to advise the Secretary-General, through the Under-Secretary-General for Humanitarian Affairs, on the use and impact of the Central Emergency Response Fund (CERF). The Advisory Group meeting in Geneva on 19 and 20 November 2008 included the eight newly appointed members by the Secretary-General. The Advisory Group principally discussed the management response to the two-year evaluation of the Fund, the potential impact of the global financial crisis on the Fund and its performance since the Group's last meeting in June 2008.

The following observations and recommendations are based on updates from the Under-Secretary-General for Humanitarian Affairs, consultations with United Nations agencies, the International Organization for Migration (IOM) and non-governmental organizations (NGOs), and a discussion of the management response to the independent two-year evaluation. New members of the Group also received an introductory briefing on the Fund from the Director of the Office for the Coordination of Humanitarian Affairs in New York.

1. The Advisory Group is concerned about the impact of the global financial crisis on future CERF funding. While donor Governments have expressed the political will to stick to their funding commitments, and humanitarian aid is perhaps less likely to be reduced than other forms of external assistance, the effect on aid flows remains to be seen, particularly after 2009. The strong dollar will also affect the amount available to the Fund in 2009. The high-level conference on the Central Emergency Response Fund, held on 4 December 2008, should provide an early indication as to the effect of the crisis on donor behaviour. The Group will continue to monitor aid flows to ensure that the Fund has adequate resources.

2. While many of the large donors to the CERF have signalled their continued commitment to the Fund, the Advisory Group is concerned that many small donors may be less likely to make contributions in 2009. A broad donor base is important not only for financial reasons but also to show political support. The Group recommends that the Fund develop a resource mobilization strategy that includes an adequate focus on small donors, including outreach to new and non-traditional donors, and that members support the strategy in their role as advocates for broader political and financial support to CERF.

3. Given the likelihood of shrinking and flows, the Advisory Group encouraged the secretariat of the Fund to continue to explore complementarities with other funding sources, in particular in terms of coordinating allocations. Donors should also ensure that contributions to the Fund are additional, so that traditional direct support to NGOs and for core funding for agencies continues. Policies and procedures should be harmonized in accordance with the principles of good humanitarian donorship and the Global Humanitarian Platform's "Principles of

Partnership", particularly with funds pooled at the country level, although the diversity of donors and pooled funds makes this difficult.

4. The financial crisis makes it all the more important that the Fund support only the highest-priority humanitarian projects. The Advisory Group encouraged the CERF secretariat to strictly enforce the life-saving criteria when reviewing proposals. The Group welcomed the planned review of the life-saving criteria and the review of the criteria for determining allocations from the underfunded window in 2009 as steps to further sharpen the criteria for the use of the Fund's assets.

5. The Advisory Group expressed support for the recommendations of the two-year evaluation of the Fund and for the matrix summarizing the response of the Emergency Relief Coordinator.

6. Regarding the two-year evaluation, the Advisory Group noted that many of the recommendations directly related to the secretariat of the Fund and the Office for the Coordination of Humanitarian Affairs have already been implemented or are in the process of being implemented. The most difficult outstanding issues, including partnerships, needs assessments and prioritization, reflect weaknesses in the overall humanitarian system; they affect the Fund's performance but the Fund cannot resolve them by itself. This was underscored by the meeting with humanitarian partners, where some agencies acknowledged that their internal procedures regarding NGO partnerships and procurement are cumbersome. The Group recommended that the Office for the Coordination of Humanitarian Affairs play a leadership role in facilitating the resolution of these issues, and that the Fund should continue to act as a lever for change in the field of humanitarian response, to the extent that it can. However, a larger venue for dealing with systemic issues is needed. The Advisory Group encouraged the Office for the Coordination of Humanitarian Affairs to lead efforts to address systemic issues.

7. In relation to the above, the Advisory Group noted that while it is critical to measure the impact of CERF funding, it is difficult because the Fund is responsible for only a small part of the overall humanitarian response. The effectiveness of the Fund is linked to the effectiveness of the overall response, but at the same time the Fund can only be held accountable for the impact that can be directly attributed to its funding. The Group will continue to consider the question of impact at future meetings.

8. The Advisory Group proposed that the major challenges highlighted by the evaluation could be divided into three strategic issues: (a) performance and accountability, (b) partnership arrangements, particularly with regard to NGOs and (c) the role of humanitarian/resident coordinators. The Group is concerned that the absence of a performance and accountability framework may erode donor confidence in the Fund. However, since this concern is not necessarily limited to the Fund, one option to be considered is the development of a performance and accountability framework to be used at the level of the overall humanitarian response, which could feed information to the Fund as required. The Office for the Coordination of Humanitarian Affairs could lead this initiative with the participation of other agencies and donors.

9. The Advisory Group was pleased to note that the capacity of the CERF secretariat had been strengthened by the addition of new posts, for a total of 23, but is concerned that there is still a lack of transparency about the use of the 3 per cent

overhead charge. The Group has recommended that the funds be channelled back to the secretariat of the Fund and used to strengthen the capacity of the Office of the Controller to administer the Fund (it is worth noting that the use of programme support costs is governed by the General Assembly). The Emergency Relief Coordinator noted that there is a new Controller and that the relationship with the Office of the Controller has improved, although the issue of programme support costs has not yet been discussed with him. The members of the Group expressed their wish to meet with the Office of the Controller as they have done at previous meetings.

10. The two-year evaluation issued a number of recommendations to improve the working relationships between United Nations agencies receiving CERF funds and their NGO implementing partners, including standardization of NGO overheads, pre-qualification of NGO partners, timely forward disbursement of CERF funds to implementing partners, more consistent participation by NGOs in project prioritization at the country level and the increased use of emergency response funds to channel CERF funds directly to NGOs. Although these issues are not directly in the CERF's control, they do determine how quickly and how well CERF funds translate to impact on the ground. As these processes take place at the country level, the Advisory Group recommends that the CERF secretariat collect best practices from country teams where the relationships between the United Nations and NGOs are particularly effective.

11. The Advisory Group has noted that agency attitudes towards CERF have evolved to become more positive. Their collaboration on the response matrix is also positive and should be built upon. The members decided to reinforce consistent messaging to agencies about the CERF and humanitarian financing, especially on systemic problems, through their roles as donor Government representatives and members of the Executive Boards of the agencies.

12. The Advisory Group noted that successful use of CERF depends to a great extent on humanitarian/resident coordinators who are responsible for the initial prioritization (including the use of needs assessments and inclusion of humanitarian partners), assessing the implementation capacity of agencies, and reporting and monitoring. The heaviness of this caseload is a strategic risk. More attention should be paid to the institutional capacity supporting the humanitarian/resident coordinators, and the capacity of resident coordinators for humanitarian response in countries without a humanitarian coordinator.

13. The two-year evaluation recommended that the implementation capacity of agencies at the country level should be a factor in funding decisions. The Advisory Group recommends the exploration of mechanisms for doing this as a useful exercise; however, ultimately, it is the responsibility of the humanitarian/resident coordinators not to forward projects that cannot be implemented.

14. The Advisory Group is concerned about the quality of reporting on CERF grants. Members of the Group have noted that there is resistance among agencies about reporting on a project basis, as some agencies are moving towards a programme-based approach. However, the Group feels that an effective, streamlined procedure for reporting on CERF grants could be a useful model for agencies for their other reporting requirements.